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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
	:	
SEARS HOLDINGS CORPORATION, et al.,	:	Case No. 18-23538 (RDD)
	:	
Debtors.¹	:	(Jointly Administered)
	:	
-----X		

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 130 West 42nd Street, 17th Floor, New York, NY 10036.

**NOTICE OF AGREED ORDER RESOLVING MOTION
FOR RELIEF FROM THE AUTOMATIC STAY**

PLEASE TAKE NOTICE that, on December 10, 2018, Anthony Scullari (the “**Movant**”) filed the *Motion for Relief from Stay for Proceeding with State Court Personal Injury Action* (ECF No. 1112) (the “**Motion**”), seeking relief from the automatic stay to permit the Movant to continue to pursue a personal injury claim in the Supreme Court of the State of New York, County of New York.

PLEASE TAKE FURTHER NOTICE that, concurrently herewith, Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), with the consent of the Movant, will present an agreed proposed order providing for the resolution of the Motion (the “**Proposed Order**”) to the Honorable Robert D. Drain, United States Bankruptcy Judge for signature. A copy of the Proposed Order is attached hereto as **Exhibit 1**.

PLEASE TAKE FURTHER NOTICE that, attached hereto as **Exhibit 2**, is the sworn affidavit of Laurence Jenchel, former Divisional Vice President of Risk Management for Sears Holdings Management Corporation, regarding applicable insurance coverage.

Dated: August 19, 2020
New York, New York

/s/ Jacqueline Marcus
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Sunny Singh

*Attorneys for Debtors
and Debtors in Possession*

Exhibit 1

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re	:
	:
SEARS HOLDINGS CORPORATION, et al.,	:
	:
Debtors.²	:
	:
-----X	

Chapter 11
Case No. 18-23538 (RDD)
(Jointly Administered)

**ORDER RESOLVING
MOTION FOR RELIEF FROM THE AUTOMATIC STAY**

Upon the *Motion for Relief from Stay for Proceeding with State Court Personal Injury Action*, dated December 10, 2018 (ECF No. 1112, 1114) (the “**Motion to Lift Stay**”) of Anthony Scullari (the “**Movant**”), requesting relief from the automatic stay with regard to certain litigation commenced in the Supreme Court of the State of New York, County of New York, Index No. 159054/15 (the “**Prepetition Litigation**”), all as more fully set forth in the Motion to Lift Stay; and upon the *Notice of Agreed Order Dismissing Motion for Relief From the Automatic Stay* dated [___], 2020 (ECF No. [___]); and the Court having jurisdiction to decide the Motion and the relief

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requested therein pursuant to 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; it is hereby

ORDERED THAT:

1. The Motion to Lift Stay is granted in part, to allow Movant to continue the Prepetition Litigation against the non-debtor defendants named in the Prepetition Litigation; provided that Movant shall not pursue the payment of any claims or judgments relating to the Prepetition Litigation from the Debtors or their estates or the Liquidating Trust³ and shall waive collection from the Debtors of any and all amounts owed to Movant resulting from the Prepetition Litigation, as well as any and all claims filed against the Debtors relating thereto.

2. The Motion to Lift Stay is dismissed with prejudice with respect to Movant's request for relief from the Automatic Stay to pursue the Prepetition Litigation against the Debtors.

3. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this order.

Dated: , 2020
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

³ "Liquidating Trust" shall have the meaning attributed to this term in the *Order (I) Confirming Modified Second Amended Joint Chapter 11 Plan of Sears Holdings Corporation and its Affiliated Debtors and (II) Granting Related Relief* (ECF No. 5370).

Exhibit 2

Affidavit

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹
-----X

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

AFFIDAVIT

State of Illinois)

) ss.:

County of Cook)

Laurence Jenchel deposes and states:

1. My name is Laurence Jenchel, and I am the former Divisional Vice President of Risk Management for Sears Holdings Management Corporation.

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2. I make this affidavit to provide information on insurance coverage of the above-captioned Debtors applicable to the following incident dates: January 10, 2011, and October 31, 2014 (the “**Incident Dates**”).

3. With respect to the action commenced by Qazim B. Krasnqi against certain of the Debtors as well as other defendants in the Supreme Court of the State of New York, County of New York, Index No. 158520/2013 (the “**Krasnqi Action**”), with an asserted Incident Date of January 10, 2011, the following describes the applicable insurance coverage of the Debtors:

- General Liability Policy: Policy Number HDO G25519826 with Ace American Insurance Co, for the policy period 8/1/2010-8/1/2011: Coverage under this policy has been exhausted. An exhaustion letter is available for this policy period.
- Umbrella Policy: Policy Number 15972560 with National Union Fire Ins. Co. of Pittsburgh, for the policy period 8/1/2010-8/1/2011: The Umbrella policy attaches after \$5.0 million is incurred on a given claim. The \$5.0 million attachment applies whether or not the underlying policy has been exhausted. To date, the Debtors have not spent \$5.0 million on the Krasnqi Action. For that reason, this Umbrella Policy coverage is not available for the Krasnqi Action, absent the first \$5.0 million being spent on this action.

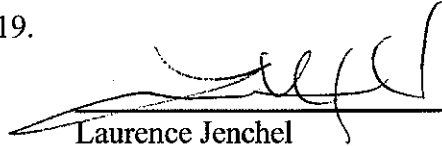
4. With respect to the action commenced by Anthony Scullari in the Supreme Court of the State of New York, County of New York, Index No. 159054/2015 (the “**Scullari Action**”), with an asserted Incident Date of October 31, 2014, the following describes the applicable insurance coverage of the Debtors:

- General Liability Policy: Policy Number HDO G27334143 with Ace American Insurance Company, for the policy period 8/1/2014-8/1/2015: Coverage under this policy has been exhausted. An exhaustion letter is available for this policy period.
- Umbrella Policy: Policy Number 13630880 with National Union Fire Ins. Co. of Pittsburgh, for the policy period 8/1/2014-8/1/2015: The Umbrella policy attaches after \$5.0 million is incurred on a given claim. The \$5.0 million

attachment applies whether or not the underlying policy has been exhausted. To date, the Debtors have not spent \$5.0 million on the Scullari Action. For that reason, this Umbrella Policy coverage is not available for the Scullari Action, absent the first \$5.0 million being spent on this action.

5. To the best of my knowledge, no other insurance coverage is available for the Incident Dates in relation to the Krasniqi Action and the Scullari Action.

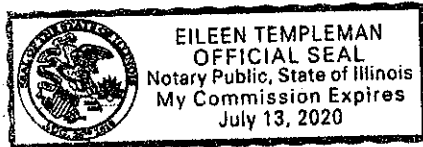
Dated this 5th day of June, 2019.



Laurence Jenchel

Sworn to before me this
____th day of June 2019

[INSERT NOTARY PUBLIC INFORMATION]





Eileen Templeman